

THE TEXAS A&M UNIVERSITY SYSTEM
FACILITIES PLANNING AND CONSTRUCTION
Office of the Deputy Chancellor and Chief Financial Officer
July 13, 2020

Members, Board of Regents
The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services, and Approval for Construction for the Ballistic Aero-Optics and Materials Facility Project, Texas A&M Engineering Experiment Station, Bryan, Texas (Project No. 28-3321)

I recommend adoption of the following minute order:

“The project scope along with a project budget of \$25,000,000 for the Ballistic Aero-Optics and Materials Facility Project is approved.

The amount of \$15,000,000 is appropriated from Account No. 01-083538 Revenue Financing System Debt Proceeds (Contract Revenue/Indirect Cost Recoveries), the amount of \$2,000,000 is appropriated from Account No. 01-083538 Revenue Financing System Debt Proceeds (Indirect Cost Recoveries), and the amount of \$5,500,000 is appropriated from Account No. 28-810076, AFC BAM Funding, for construction services and related project costs.

The Ballistic Aero-Optics and Materials Facility Project, Texas A&M Engineering Experiment Station, Bryan, Texas, is approved for construction.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that

the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

[ORIGINAL SIGNED BY]

Billy Hamilton
Deputy Chancellor and
Chief Financial Officer

Approval Recommended:

Approved for Legal Sufficiency:

[ORIGINAL SIGNED BY]

John Sharp
Chancellor

[ORIGINAL SIGNED BY]

Ray Bonilla
General Counsel

[ORIGINAL SIGNED BY]

Phillip Ray
Vice Chancellor for Business Affairs

[ORIGINAL SIGNED BY]

M. Katherine Banks, Ph.D., P.E.
Vice Chancellor of Engineering and National Laboratories
The Texas A&M University System
Director, Texas A&M Engineering Experiment Station

[ORIGINAL SIGNED BY]

Kelly Templin, Director
The Texas A&M University System
RELLIS Campus

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| BALLISTIC AERO-OPTICS AND MATERIALS FACILITY TEXAS A&M ENGINEERING EXPERIMENT STATION PROJECT NO. 28-3321 | PROJECT BUDGET |
|--|-----------------------|

| | |
|---------------------------------------|---------------------|
| 1. Construction | \$20,277,000 |
| 2. Project Contingency | 1,014,000 |
| 3. Program of Requirements..... | 327,700 |
| 4. Pre-Construction Services | 1,643,000 |
| 5. Commissioning Services | 53,000 |
| 6. Construction Testing | 284,000 |
| 7. Campus Services & Technology | 412,000 |
| 8. Furnishings | 113,000 |
| 9. Equipment | 50,000 |
| 10. Other Project Costs..... | 163,300 |
| 11. FPC Management | <u>663,000</u> |
| 12. TOTAL PROJECT COST..... | <u>\$25,000,000</u> |

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| BALLISTIC AERO-OPTICS AND MATERIALS FACILITY TEXAS A&M ENGINEERING EXPERIMENT STATION PROJECT NO. 28-3321 | PROJECT SCHEDULE |
|--|-------------------------|

1. BOR Approval to Include in Capital Plan May 14, 2020
2. Issue A/E Request for Qualifications (RFQ) June 30, 2020
3. Issue Construction Manager at Risk (CMAR) RFP July 7, 2020
4. Receive A/E RFQ Response July 14, 2020
5. Shortlist A/E Firms July 21, 2020
6. Select A/E Firms July 21, 2020
7. Receive CMAR RFP Response July 28, 2020
8. Chancellor Approval of A/E Rank Order August 11, 2020
9. Shortlist CMAR Firms August 11, 2020
10. BOR Approval for Construction August 20, 2020
11. Execute A/E Agreement August 25, 2020
12. Interview CMAR Firms August 26, 2020
13. A/E Design Kick-Off August 27, 2020
14. CMAR Ranked Order Approved by Chancellor September 25, 2020
15. Execute CMAR Agreement October 23, 2020
16. Complete Schematic Design November 27, 2020
17. Receive GMP from CMAR January 26, 2021
18. Notice to Proceed February 1, 2021
19. Submit THECB Application February 9, 2021
20. Complete Design Development March 12, 2021
21. Complete Construction Documents June 25, 2021
22. Substantial Completion October 14, 2022
23. Owner Occupancy December 16, 2022

**TEXAS A&M ENGINEERING EXPERIMENT STATION
REVENUE FINANCING SYSTEM
Ballistic Aero Optics Materials Facility
Contract Revenue/Indirect Cost Recoveries**

| Dates | Outstanding Principal | Principal Amount | Interest Amount | Annual Total | Coverage 1.15x |
|--------------|----------------------------------|-----------------------------|----------------------------|-------------------------|---------------------------|
| Coml Paper | 15,000,000.00 | | | | |
| YEAR 1 | 14,000,000.00 | 1,000,000.00 | 525,000.00 | 1,525,000.00 | 1,753,750.00 |
| YEAR 2 | 13,000,000.00 | 1,000,000.00 | 490,000.00 | 1,490,000.00 | 1,713,500.00 |
| YEAR 3 | 8,000,000.00 | 5,000,000.00 | 455,000.00 | 5,455,000.00 | 6,273,250.00 |
| YEAR 4 | 4,000,000.00 | 4,000,000.00 | 280,000.00 | 4,280,000.00 | 4,922,000.00 |
| YEAR 5 | - | 4,000,000.00 | 150,000.00 | 4,150,000.00 | 4,772,500.00 |
| | | <u>\$ 15,000,000.00</u> | <u>\$ 1,900,000.00</u> | <u>\$ 16,900,000.00</u> | <u>\$ 19,435,000.00</u> |

Short-term rates are assumed to be 3.50% for years 1-4 and 3.75% for year 5. Rates are subject to market change.
Assuming that project will remain in commercial paper until paid off in five years.
Principal will be repaid with Contract Revenue and interest will be repaid with Indirect Cost Recoveries.
Prepared by the Office of the Treasurer - Treasury Services 6/12/2020

Rates are variable and subject to market change.

**TEXAS A&M ENGINEERING EXPERIMENT STATION
REVENUE FINANCING SYSTEM
Ballistic Aero Optics Materials Facility
Indirect Cost Recoveries**

| Dates | Outstanding Principal | Principal Amount | Interest Amount | Annual Total | Coverage 1.15x |
|---------|--------------------------|------------------------|------------------------|------------------------|------------------------|
| BONDS | 2,020,000.00 | | | | |
| YEAR 1 | 1,990,000.00 | 30,000.00 | 101,000.00 | 131,000.00 | 150,650.00 |
| YEAR 2 | 1,960,000.00 | 30,000.00 | 99,500.00 | 129,500.00 | 148,925.00 |
| YEAR 3 | 1,925,000.00 | 35,000.00 | 98,000.00 | 133,000.00 | 152,950.00 |
| YEAR 4 | 1,890,000.00 | 35,000.00 | 96,250.00 | 131,250.00 | 150,937.50 |
| YEAR 5 | 1,855,000.00 | 35,000.00 | 94,500.00 | 129,500.00 | 148,925.00 |
| YEAR 6 | 1,820,000.00 | 35,000.00 | 92,750.00 | 127,750.00 | 146,912.50 |
| YEAR 7 | 1,780,000.00 | 40,000.00 | 91,000.00 | 131,000.00 | 150,650.00 |
| YEAR 8 | 1,735,000.00 | 45,000.00 | 89,000.00 | 134,000.00 | 154,100.00 |
| YEAR 9 | 1,690,000.00 | 45,000.00 | 86,750.00 | 131,750.00 | 151,512.50 |
| YEAR 10 | 1,645,000.00 | 45,000.00 | 84,500.00 | 129,500.00 | 148,925.00 |
| YEAR 11 | 1,595,000.00 | 50,000.00 | 82,250.00 | 132,250.00 | 152,087.50 |
| YEAR 12 | 1,545,000.00 | 50,000.00 | 79,750.00 | 129,750.00 | 149,212.50 |
| YEAR 13 | 1,490,000.00 | 55,000.00 | 77,250.00 | 132,250.00 | 152,087.50 |
| YEAR 14 | 1,435,000.00 | 55,000.00 | 74,500.00 | 129,500.00 | 148,925.00 |
| YEAR 15 | 1,375,000.00 | 60,000.00 | 71,750.00 | 131,750.00 | 151,512.50 |
| YEAR 16 | 1,310,000.00 | 65,000.00 | 68,750.00 | 133,750.00 | 153,812.50 |
| YEAR 17 | 1,245,000.00 | 65,000.00 | 65,500.00 | 130,500.00 | 150,075.00 |
| YEAR 18 | 1,175,000.00 | 70,000.00 | 62,250.00 | 132,250.00 | 152,087.50 |
| YEAR 19 | 1,100,000.00 | 75,000.00 | 58,750.00 | 133,750.00 | 153,812.50 |
| YEAR 20 | 1,025,000.00 | 75,000.00 | 55,000.00 | 130,000.00 | 149,500.00 |
| YEAR 21 | 945,000.00 | 80,000.00 | 51,250.00 | 131,250.00 | 150,937.50 |
| YEAR 22 | 860,000.00 | 85,000.00 | 47,250.00 | 132,250.00 | 152,087.50 |
| YEAR 23 | 770,000.00 | 90,000.00 | 43,000.00 | 133,000.00 | 152,950.00 |
| YEAR 24 | 675,000.00 | 95,000.00 | 38,500.00 | 133,500.00 | 153,525.00 |
| YEAR 25 | 575,000.00 | 100,000.00 | 33,750.00 | 133,750.00 | 153,812.50 |
| YEAR 26 | 470,000.00 | 105,000.00 | 28,750.00 | 133,750.00 | 153,812.50 |
| YEAR 27 | 360,000.00 | 110,000.00 | 23,500.00 | 133,500.00 | 153,525.00 |
| YEAR 28 | 245,000.00 | 115,000.00 | 18,000.00 | 133,000.00 | 152,950.00 |
| YEAR 29 | 125,000.00 | 120,000.00 | 12,250.00 | 132,250.00 | 152,087.50 |
| YEAR 30 | - | 125,000.00 | 6,250.00 | 131,250.00 | 150,937.50 |
| | | <u>\$ 2,020,000.00</u> | <u>\$ 1,931,500.00</u> | <u>\$ 3,951,500.00</u> | <u>\$ 4,544,225.00</u> |

Estimated Issuance Costs of \$20,000.00 are included in this schedule.
Long-term rates are assumed to be 5.00%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 06/12/2020

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.



Ballistic Aero-Optics and Materials Facility

Texas A&M Engineering Experiment Station

Project No. 28-3321